Government of Saskatchewan

Annual Report 1983-84

Saskatchewan Legislative Assembly Members Superannuation Fund

85-5119/

Regina, Saskatchewan
June 30, 1984

His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Members of the Legislative Assembly Superannuation Fund for the year ending March 31, 1984.

I have the honour to be, Sir,

Your Obedient Servant

Eric Berntson
Minister in Charge

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Background

The Members of the Legislative Assembly Superannuation Fund was created to provide a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

The Fund is comprised of two pension plans; a unit benefit (formula) plan for members who were first elected prior to April 1, 1979, and a money accumulation plan for those members first elected on or after April 1, 1979.

Members of the unit benefit plan, may, at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which he ceased to be a member, elect to transfer to the money accumulation plan.

Operation of the Fund

The Fund is credited with contributions and interest paid by members and former members, interest or any other revenue accruing on investments in the Fund, and such amounts paid by the Minister of Finance as required by The Members of the Legislative Assembly Superannuation Act. Payments are made out of the Fund for refunds of contributions where a former member is eligible, pensions, annuities, and supplementary allowances. As a matter of course, the acquisition and disposition of the various assets of the Fund is accomplished through the payment out of and receipt of monies into the Fund.

Contributions

Members are required to contribute 9% of their indemnity, sessional and expense allowances to the Fund, as well as 9% of earnings as a member with additional responsibilities, where applicable. The Minister of Finance matches the member's contributions and is required by the Act to make certain additional contributions to the Fund.

Contributions by members for the year ended March 31, 1984 totaled $266,375.

Pensions

The fund paid pensions to 99 former members and spouses of former members throughout the year. Pensions to these individuals were based on a formula which included years of service and an average salary figure for some portion of that service. It may also have included a supplementary allowance paid in accordance with the Act. Pensions for the year totaled $1,157,575.

Investments

Investing of moneys in the Fund is done by Saskatchewan Finance, Investment and Financial Services Branch at no cost to the Fund. The investment policy directs that the assets of the Fund shall be in long-term, high-quality investments yielding the best possible return with minimum risk. The value of the investments (at cost) at March 31, 1984 was $2,440,046.

Administration

In accordance with subsection 3 (6) of the Act, the necessary expenses of administering the Fund shall be a charge upon and paid out of the consolidated fund, and are therefore not charged to the Fund.

Administration of the plan is presently assigned to the Public Employees Benefits Agency with no significant increase in the costs to that unit.

Members of the Legislative Assembly Superannuation Fund

Financial Statements

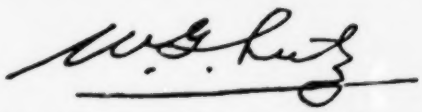
for the Year Ended March 31, 1984

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Members of the Legislative Assembly Superannuation Fund as at March 31, 1984 and the statements of revenue, expenditure and fund equity and of changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
August 1, 1984

W. G. Lutz, F.C.A.,
Provincial Auditor.

Members of the Legislative Assembly
Superannuation Fund
Balance Sheet
As At March 31

	1984	1983
Assets		
Cash	$ 4,968	$ 30,964
Members' contributions receivable	5,994	11,587
Minister of Finance contributions receivable	65,089	12,313
Accrued interest receivable	99,163	95,017
Investments (Note 1) (Schedule 1) (Market value 1984 — $2,312,998; 1983 — $2,354,610)	2,440,046	2,285,379
	$ 2,615,260	$ 2,435,260
Fund Equity		
Unit benefit plan (Statement 2, Note 3)	$ 1,423,320	$ 1,703,988
Money purchase plan (Statement 2, Note 4)	1,191,940	731,272
	$ 2,615,260	$ 2,435,260

(See accompanying notes to the financial statements)

Members of the Legislative Assembly
Superannuation Fund
Statement of Revenue, Expenditure and Fund Equity
Year Ended March 31

	1984			1983
	Unit Benefit Plan	Money Purchase Plan	Total	Total
Revenue				
Contributions by Members of the Legislative Assembly	$ 101,797	$ 164,578	$ 266,375	$ 235,592
Contributions by the Minister of Finance	602,198	180,714	782,912	749,662
Investment income	175,630	116,025	291,655	282,202
Loss on investment disposals	(2,718)	(649)	(3,367)	(8,317)
	876,907	460,668	1,337,575	1,259,139
Expenditure				
Annual allowance	1,157,575	—	1,157,575	1,099,212
Excess (Deficit) of revenue over expenditure	(280,668)	460,668	180,000	159,927
Fund equity, beginning of year	1,703,988	731,272	2,435,260	2,275,333
Fund equity, end of year	$ 1,423,320	$ 1,191,940	$ 2,615,260	$ 2,435,260

(See accompanying notes to the financial statements)

Members of the Legislative Assembly
Superannuation Fund
Statement of Changes in Financial Position
Year Ended March 31

	1984	1983
Source of Funds:		
Members' contributions	$ 266,375	$ 235,592
Minister of Finance contributions	782,912	749,662
Investment income	291,655	282,202
Items not Affecting Cash:		
– Decrease in Members' contributions receivable	5,593	31,551
– Decrease (increase) in Minister of Finance contributions receivable	(52,776)	30,087
– Increase in accrued interest receivable	(4,146)	(10,531)
– Loss on investment disposals	(3,367)	(8,317)
Cash from operations	1,286,246	1,310,246
Proceeds from sale of investments	3,061,185	3,577,228
Total resources provided	4,347,431	4,887,474
Application of Funds:		
Allowances	1,157,575	1,099,212
Purchase of investments	3,215,852	3,731,047
	4,373,427	4,830,259
(Decrease) increase in cash	(25,996)	57,215
Cash balance, beginning of year	30,964	(26,251)
Cash balance, end of year	$ 4,968	$ 30,964

(See accompanying notes to the financial statements)

Members of the Legislative Assembly Superannuation Fund

Notes to Financial Statements March 31, 1984

1. Accounting Policies

   a) Investments

   Investments of the fund are recorded at cost. Any difference between cost and par value is not amortized. Gains and losses are fully recognized in the year of disposition.

   b) Administration Costs

   In accordance with Section 3(6) of The Members of the Legislative Assembly Superannuation Act, 1979 the necessary expenses of administering the fund are paid out of the consolidated fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

2. Statutory Reporting Requirements

   In accordance with Section 42 of The Members of the Legislative Assembly Superannuation Act the following information is provided:

	1984	1983
Contributors to the Fund		
Unit Benefit Plan	22	51
Money Purchase Plan	43	52

   During the year 99 superannuates received allowances.

3. Actuarial Valuation Unit Benefit Plan

   The last actuarial valuation of the fund as at March 31, 1983 determined that there was an unfunded actuarial liability of $15,095,597 for service to the valuation date.

   Legislation provides for the Minister of Finance to pay to the Fund an amount equal to contributions of the members, an annual payment of $500,000 and any further amounts that may be appropriated by the Legislature for the purpose of the Act.

4. Money Purchase Plan

   Legislation was assented to in 1979 which continued the "unit benefit" superannuation plan (Part II of the Act) and established a new "money purchase plan" (Part III of the Act) for the members. Members elected after April 1, 1979 will contribute to the "money purchase plan". Legislation was assented to in 1980 which permits members defeated in a general election the option to transfer to the "money purchase plan" before the expiration of the thirtieth day after the last return to the writ of election. During the year ended March 31, 1984, no members were eligible to transfer to the "money purchase plan". (1983 two members elected to transfer).

Members of the Legislative Assembly Superannuation Fund

Schedule of Investment Transactions Year Ended March 31, 1984

(Provided in accordance with the provisions of Section 42 of The Members of the Legislative Assembly Superannuation Act)

Investments at Cost	Balance March 31, 1983	Acquisitions	Dispositions	Balance March 31, 1984
Provincial and Provincially Guaranteed				
— Quebec	$ 4,975	$ —	$ —	$ 4,975
— Saskatchewan	1,954,985	—	9,925	1,945,060
	1,959,960	—	9,925	1,950,035
Union Hospitals				
— Saskatchewan	30,440	—	—	30,440
Convertible Debentures	181,000	100,000	—	281,000
Total Long Term Investment	2,171,400	100,000	9,925	2,261,475
Short Term Investments	113,979	3,115,852	3,051,260	178,571
Total Investments	$ 2,285,379	$ 3,215,852	$ 3,061,185	$ 2,440,046